

The Documented Risk Management System is as follows:

The Prudent Risk Management System of Rajvi Stock Broking Limited is:

1. We deal with trusted client only which has been build by working with them over a period of time.
2. We do routinely follow up for the payments of the parties.
3. We do not entertain any sort of cash dealings with any of our clients.
4. We provide SMS services through which the Client can come to know about the dealings done by them in their respective Codes at the end of the day along with their ledger balances.
5. We do not allow our clients having a Debit Balance of more than Rs.15,000 to purchase new securities.
6. Some of the clients having debit balance of more than 3 to 4 days are not allowed to do trading further as his code automatically gets locked by our RISK MANAGEMENT SYSTEM.
7. We open new trading and demat Accounts only through a known person to us i.e through Introducer or through Sub Broker.
8. We give welcome limit of Rs. 5000/- to new client.
9. We do not register walk in clients.
10. We do not allow trade in Z Group as well as in physical.
11. We allow to trade in trade to trade scrip only verifying client worthyness.
12. We generally do not allow to trade in penny stock.

Mandatory Document : This is a mandatory /compulsory document from Broker and requires your utmost care, attention and understanding. This is an additional requirements from Broker which if contravenes any rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges, shall be null and void. [Refer SEBI Circular No. MIRSD/ SE /Cir-19/2009 dated 03.01.2009]

Dealing in Penny Stocks: Generally, the Broker refuses to enter any order of clients for penny stocks. The client is required to adhere to exchange/members' guidelines and due diligence while trading in such scrips. Even trading in such scrips is very risky. As such, we the broker, do hereby warn the client not to deal in any penny stocks. However, we at our sole discretion, may allow or disallow the clients (on case to case basis) to deal in penny stocks, subject rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances, at related point of time.

Client's Exposure Limit: In capital segment, the exposure would be given on client's trade history/experience, if available, his financial capacity and/or credit worthiness and in F & O client's account this limit can be increased only after an analysis of credit balance of funds/securities along with aforesaid and such other criteria at Broker's sole discretion.

Brokerage Rate: The Broker discloses that it shall charge a brokerage at the rate being agreed by the client with Broker (including its branches or sub-brokers) depending upon market circumstances or as may be prescribed in KYC document / Back office Software. However, the Broker shall adhere to the maximum permissible limit (presently not to exceed 2.5%) as may be prescribed by SEBI / Exchanges from time to time. On option segment of Exchange, It is hereby disclosed that brokerage on options contracts shall be charged @ 2.5% of the premium amount or Rs 100/- (per lot) whichever is higher.

Penalty/Delayed payment Charges by either party: The Client discloses that client is aware and agree that any penalty/delayed payment imposed by SEBI/Exchange will be bourn by client. In case of any default or if any amount is overdue from Client after Pay In day then penalty / delayed payment charges @ 18% p.a. (depending upon prevalent market rate) may be charged. However, this facility shall not be construed / resulted into permanent practice leading to funding by broker to client in contravention of applicable laws.

Sell of Securities or Closing Open Position: The Client also agree and confirm that in case of any delay (beyond permissible time limit as per SEBI's or Exchange's rules, regulations, byelaws, circulars and other applicable laws/ provisions) or in-ordinate delay in making the payment or clearance of or meeting up of any obligations, dues, debit balances, margin, MTOM debit balance etc. by client, then Broker might be sold off, credit balance of funds might be adjusted against client's obligation, debit balances or liabilities WITHOUT ANY NOTICE from Broker from time to time.

Shortages in Obligation and Internal Auction: Clients are required to make Securities / Funds pay in on Pay In day. In case of default in security pay in by the client and the shortage is at member level i.e. internal shortage then the benefit calculated at the closing rate of pay-out day shall be recovered from the defaulting client and passed on to the respective beneficiary client.

In case of the default of securities pay-in by the client and the shortage is from the exchange, auction value of the respective exchange plus penalty (decided by the

member from time to time) plus brokerage and other statutory charges shall be recovered from the defaulting client.

In the case of funds default by the client, the member shall be liquidating the stocks to recover the money. Any shortfall arising out of liquidating securities by the members shall also be recovered from the defaulting client along with interest (decided by the member from time to time).

Restrictions/Prohibition to take further position or closing existing position: Under any of the circumstances, such as, client's failure to meet pay-in or margin obligations or clearance of outstanding/debit balance with broker before permissible time limit or beyond such period as may be allowed by broker, the Client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Even, broker can firstly set-off or adjust the same shall not allow the client to take further / fresh position.

Further, it would be the duty of the client to monitor his/her/its position with the Broker from time to time. In case of any delay or failure in meeting any obligation, margin requirements etc. from client side, broker might close the existing position or open position WITHOUT ANY FURTHER INTIMATION to the client. Such Circumstances may include (but not limited to):

- (i) failure to meet pay-in obligation on Pay In day,
- (ii) delay in meeting the pay-in or margin requirement,
- (iii) delay or failure in clearance of outstanding or dues to the broker,
- (iv) returning or frequent returning of cheques of the client,
- (v) Unnecessary / Unwarranted dispute from client without any substantial cause / reason,
- (vi) Client's attitude of not coming to the amicable settlement for any dispute that can be settled without involvement of Exchange and /or SEBI,
- (vii) As per prevalent RMS policy of the Broker,
- (viii) Any direction from SEBI/Exchange or such other authorities,
- (ix) Under such other circumstances as the Broker might think just and proper on case to case basis.

Suspension / Deregistering of Client Account: The Broker and/or client may suspend Client's Trading Account from further dealing in the securities market through the broker in following circumstances:

- (a) as per Client's prior written request of atleast 2 days submitted to Broker at its Ahmedabad R.O. duly acknowledged by Broker (subject to clearance of entire outstanding/obligations),
- (b) Dormant or in-active status of client account beyond specified time limit as may be prescribed by Broker,
- (c) Under any circumstances mentioned in (i) to (ix) above.

Policy for Dormant / In-active account:

In any account, in which no transactions has took place during the period of 12 months from the date of last transaction, the same shall be considered as Dormant / In-active. Such transaction date may relate to any of the following date, which ever is later:

- (a) entry related to contract or bill generation for buy/sell transaction or
- (b) entry related to payment of funds or securities by client or
- (c) entry passed by the broker by way of JV due to any penalty amount whether or not imposed by Exchange or SEBI or other authorities etc.

To designate the client's account as Dormant / In-active account, the period of 12 months shall be counted from the last day of respective month in which any of the

aforesaid last transaction took place. In case Broker treats the account of client as a dormant / in-active account, the funds or securities lying with the broker shall be refunded / returned to clients immediately on demand by the client.

In order to reactive the account, client needs to instruct the Broker in writing atleast 2 days in advance at its Ahmedabad R.O. The Broker will try to promptly reactivate the said account subject to fulfillment of such conditions as Broker may consider fit and proper. Such written request may also be sent by way of Fax on 079 – 26581811 to Mr. Bhavesh N. Mehta (Trading Account Dept.) or by e-mail rajivstockbroking@yahoo.co.in to Broker. However, Broker may, in its own discretion, waive / reduce the period of 2 days as the circumstances may warrant on case to case basis.